



MINUTES OF THE FINANCE, AUDIT & PREMISES COMMITTEE - Tuesday 10 October 2017 at 5pm

Present: Mrs S Wright Mrs S Harris Mr C Wall
Mr R Foster Mr G Rumary

Mr T Settle (Responsible Officer)

Also present: Mr C Wade (Principal)
Mr A Woodward (Assistant Principal)
Mrs A Eastwood (Company Secretary & Business Manager)
Mr G Cole (Site Manager)
Mrs K Chard (Clerk)

Apologies: Mr R Clark

	ACTION
<p>1. ELECTION OF OFFICERS</p> <p>The meeting was opened by Mrs Eastwood, as Company Secretary, who explained that no nominations had been received for the position of Chair or Vice Chair. Mrs Wright asked if anyone was prepared to put himself or herself forward for the role. Mrs Harris proposed Mr Foster for the role of Chair. Mr Foster offered to stand for nomination for the post of Chair.</p> <p>Mr Foster was returned by unanimous vote as the Chair of the Finance, Audit and Premises Committee for the forthcoming year.</p> <p>Mr Foster asked if there had been any nominations for Vice Chair. As none had been received, Mrs Harris suggested Mr Wall. Mr Wall offered to stand for the nomination for the post of Vice Chair.</p> <p>Mr Wall was returned by unanimous vote as the Vice Chair of the Finance, Audit and Premises Committee for the forthcoming year.</p> <p>Mr Foster chaired the meeting.</p> <p>2. APOLOGIES</p> <p>Mr Clark had given his apologies, which were accepted. Mr Rumary had reported he may be a few minutes late.</p> <p>Mr Rumary arrived, 5.10pm.</p> <p>3. DECLARATION OF BUSINESS INTERESTS</p> <p>None.</p> <p>4. MINUTES AND MATTERS ARISING</p> <p>Minutes Mrs Harris asked if on page 2, 4a) 'Mr Smith said he thought that it was likely and that the position was that Academies had to accept the situation. Should the 'and' be removed. Directors agreed to amend this to 'Mr Smith said he thought that it was likely that the position was that Academies had to accept the situation.'</p>	

Mr Foster asked if on page 4, 6b) 'Mr Foster asked if the committee felt that if the budget had received the scrutiny required to satisfy Ofsted.' Should the 'if' be removed? Directors agreed to amend this to 'Mr Foster asked if the committee felt that the budget had received the scrutiny required to satisfy Ofsted.'

Mrs Wright enquired about the Football Development Officer's post. Mrs Eastwood explained to Directors that this had been discussed at the Huish Leisure Board meeting, and the hours had been reduced from 25 per week to 10. Mr Walpole was covering any additional hours required as part of his Assistant Manager role and the Football Development Officer was employed as a Learning Support Assistant within the Academy for 25 hours a week in addition.

Mrs Wright enquired about weekend bookings. Mrs Eastwood clarified that a plan had been outlined by Mrs Childs at the Huish Leisure board meeting. Mrs Wright commented that the income fell far short. Mrs Eastwood stated that the original income targets appeared to be unrealistic and were being reviewed. Mrs Eastwood also stated that Huish leisure was no longer aiming for the original Football Development income plan targets, they had now been modified. Mrs Eastwood reported that expenditure savings had been made on insurance as this was covered by the Academy. Mr Foster thought that the budget needed to be redone and a plan made. Mrs Eastwood confirmed an interim budget had been produced. Mrs Wright commented that this needed to be taken into consideration with other projects like the swimming pool.

Mrs Wright pointed out that on page 3/4, 6b) 'The reduction would have been higher if the LGPS contribution cost had not been increased and the apprenticeship levy introduced.' A 'not' should be added. Directors agreed to make read 'The reduction would have been higher if the LGPS contribution cost had been increased and the apprenticeship levy not introduced.'

Mr Foster mentioned that the confidential minutes should have been printed on pink paper, handed out, initialled and then handed in again at the end of the meeting.

Action Sheet

Item 1, Tidy and smarten up room 26. Mr Cole confirmed this had been done. Mrs Eastwood confirmed that the number of lessons that took place in the room were not enough to warrant a full refurbishment. Item to be removed.

Item 2, Risk register and risk management. Mrs Eastwood commented that this would now need to be picked up by Mr Settle.

Item 3, Room 26 repairs and maintenance. This was a duplication of Item 1. Item to be removed.

Item 4, Swimming Pool. Mrs Eastwood confirmed this was completed. Item to be removed.

Item 5, Banking arrangements. Mrs Eastwood said this item was on the agenda. The Academy currently banks with Natwest, with approximately £9,000 per year in bank charges and £700 in interest. Lloyds Bank have offered free banking, which Natwest will not match. Mrs Eastwood would like to complete a full review before deciding to move, as now there is no local branch in Langport there is no reason to stay with Natwest.

Directors agreed and approved the minutes from the June meeting as a true and accurate record.

5. TERMS OF REFERENCE AND RESPONSIBILITIES OF THE FINANCE, AUDIT

AND PREMISES COMMITTEE

Mrs Eastwood discussed that the third point down under 'Purpose' on the first page 'Major issues will be referred to the full Academy Board for ratification. Should read 'Major issues will be referred to the full Academy Board for ratification and financial decisions as per the scheme of delegation.'

Mr Foster thought that at the top of page 2, 'In the absence of the Chair or Clerk the committee will elect a replacement for the meeting.' Should read 'In the absence of the Chair, Vice Chair or Clerk the committee will elect a replacement for the meeting.'

Mrs Eastwood stated that she thought on page 2, under the Finance Section, point 2. 'To consider and recommend acceptance/non-acceptance of the Academy's budget, at the start of each financial year.' Should just read 'To consider and recommend acceptance/non-acceptance of the Academy's budget.'

Mrs Harris commented that she thought it was strange that the Audit Committee was included on page 4, but yet had no voting rights. Mrs Eastwood confirmed that it was the Academies choice to have a joint committee rather than separate.

Mr Wall asked if the minutes from this meeting would be available within two weeks. Mrs Eastwood confirmed the Academy was short of clerks. Mr Foster asked why one was not employed. Mrs Eastwood agreed to investigate, as it had already been offered internally with no success.

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6. PREMISES AND HELATH AND SAFETY

a) Facilities Development Plan and Capital Projects

Mrs Eastwood brought Directors attention to the Capital Projects 2017/18 document, which covered the Academy's capital requirements. The three points at the top of the document needed agreeing.

Item 1, full allocation of DFCG to be automatically allocated to capital projects without coming to Directors for approval.

Item 2, additional items in table 3, numbers 1-10. No price is yet available for item 5, it could be in the region of £80-90,000. This may be a potential CIF bid. Totals of items 1-10 (without point 5) £109,212.

Item 3, consideration is given to the funding to be allocated to future CIF projects. Mrs Eastwood discussed that the CIF window was about to open, and lasted around 6-7 weeks. Last year the Academy applied for the history block project, which was turned down and the electrical upgrading which was awarded.

Mrs Eastwood explained that the more the Academy was willing to contribute financially, the better the chance of the bid being awarded as this improves the score. Last year the history block scored 56% when the threshold for successful projects was 74%.

Mrs Wright asked why the fencing project was not included in table 5. Mrs Eastwood agreed to include it. Mr Foster asked if the Academy could afford any of this. Mrs Eastwood said that the Academy was asking for items 1-10, the rest could be done in phases. 2 of the items in that section would be above £25,000.

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b) Swimming Pool Project

Mrs Eastwood advised Directors that there had been no change since the Full Board Meeting, apart from work has actually started. Mrs Eastwood asked Mrs Wright to sign the South Somerset District Council Grant Agreement at the end of

the meeting so we can start to draw the funding down.

c) Summary of Work Carried out During the Summer

Mr Cole discussed the work that had been completed, and clarified there had been no delays. Mrs Wright and Mr Wade expressed their thanks to the site team.

d) Health and Safety Update

Mrs Eastwood explained to Directors that Huish Leisure had had its Health and Safety audit, but it was to be reviewed as some of the comments made were inaccurate.

Mr Foster asked if the Academy had a stress management policy. Mrs Eastwood confirmed that we do have this policy which is reviewed with staff when necessary. There is also a return to work procedure. Mr Foster asked if he could have a copy of the matrix documents and information on the system used. Mrs Eastwood agreed to provide this.

Mrs Eastwood discussed running a staff health and wellbeing project after half term. Mr Wade commented that there was funding available for a mental health first aid course, and an employee will be selected to attend. Mr Wade also mentioned that on Friday the Academy was holding a mufti day in aid of the Young Minds charity.

Mr Cole left the meeting at 5.50pm.

7. AUDIT COMMITTEE

Mr Settle, as Responsible Officer, chaired this section of the meeting.

a) Responsible Officer Report

Mr Settle explained as he was new to the Responsible Officer roll, he had a handover meeting arranged with Mr Smith. Mrs Eastwood told Directors that the Academy had a HMRC PAYE visit, and had been told the Academy kept extremely good records and that there were no issues.

b) Review of Independent Checks – Summary Report

Mr Settle discussed with Directors the target dates going back to 2015. Mrs Eastwood agreed to update the document, but explained that for example the BACS setup would not be resolved until the review of banking provision was completed. Ipad encryption is completed, but the documents held on the devices cannot be encrypted. Mr Settle thought that a statement could be written and these items signed off. Mrs Eastwood agreed.

Mrs Eastwood explained that she felt purchasing these checks was a good idea as it gives reassurance that the day to day detailed financial operations are robust.

c) Risk Register and Risk Management

Mr Wade commented that changes had been made at Full Board and the document would be discussed at the SLT meeting the following day. Mrs Eastwood thought that it would be necessary to review category 4 in light of the changes to the National Funding Formula.

d) Audit Plan

Mrs Wright stated that Kerry Gallagher has now been the Audit Principal for RSM for four years and felt the situation was too cosy. Mrs Eastwood explained that Mrs Gallagher was not involved in the audit process, but reviewed and signed off the

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audit and accounts. This is the structure in place at RMS. The matter could be raised again at the next meeting in November when the accounts were signed off and Kerry Gallagher was able to respond to Mrs Wright's question.

8. FINANCIAL INFORMATION

a) Pupil Premium Expenditure 2016/17

Mr Woodward explained the document to Directors. Row two, Key Stage 3 and 4 Intervention, there is little capacity available now with teachers not having much unallocated time in their timetables. Mrs Eastwood explained that the cost has risen on row three, HLTA Support, as 100% of the cost had been allocated for 2017/18. Mrs Wright queried the reduction in English and Maths intervention, which Mrs Eastwood explained, was because of less time available. Mr Foster asked how this was being dealt with. Mr Woodward explained he was considering a model at the moment. Mr Foster stated that he thought there were long term risks to the budget cuts and exam results were disappointing and the document produces alarm bells. Mr Woodward explained that groups of two to three students have been increased to groups of six or eight, which is still manageable.

Mrs Wright asked what the Pupil Premium allocation was for this year. Mrs Eastwood clarified that it is £192,000 which is an estimate taken from the census figures. Mrs Wright then asked why the Pupil Premium guarantee is not a larger amount. Mr Woodward explained that it was not taken up very well. Mr Woodward went on to mention that he was talking to the Pupil Premium students as a group to explain how the system worked. Mrs Wright asked if parents still came in for a meeting. Mr Woodward confirmed that they did in Year 7 and that this was approximately fifty students. Mrs Harris asked as link director, she could meet with Mr Woodward soon to discuss this further. Mr Woodward agreed.

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Mrs Wright enquired about music lessons. Mrs Eastwood explained the music bursary scheme is run through the school fund account. Mr Woodward said that he would like to develop the music lesson provision within Pupil Premium. Mrs Wright asked why there was an underspend on the grant, to which Mr Woodward replied that not everyone claims their entitlement. Mrs Wright asked how many Pupil Premium students were going on the trip to China. Mr Woodward confirmed that Pupil Premium would fund four.

Mr Woodward asked if he would be welcome to attend the finance meetings again in the future, to which Directors agreed.

Mr Woodward left the meeting at 6.25pm.

b) Pay Award 2017

Mr Ward explained that following discussions on the pay award at the Full Board meeting in September and deciding on Option one (statutory award only), the Academy had been informed that every other school in Somerset has chosen Option Two (union recommended). The Academy was also now aware of the increase in funding that they would receive with the confirmation of the National Funding Formula arrangements. It was proposed that we should reconsider the decision and proposed Option Two. Mrs Wright said she was not impressed that this had been to the Full Board for decision and now required changing.

Mrs Harris said that if the decision needed to change, should it not go back to the Full Board. Mrs Eastwood said that it needed to be decided before the November payroll. Mrs Harris asked the discussion could be electronically. Mr Foster agreed, but questioned why the change of mind. Mr Wade clarified it was because of the impact of the funding formula and the decision of every other school in the county. Mr Foster complained that in that case they did not have the full information available at Full Board. Mr Wade commented that the information on other schools

choosing Option Two had come from Somerset County Council HR, which would be County Council schools. Mrs Wright asked if it should go to Pay and Personnel Committee. It was agreed that Mr Wade would circulate the proposal to all directors asking them to vote on the decision. Mr Wade would then consult with the union representatives and it would then be sent out to all staff for consultation.

CW

Mr Rumary asked if the pay award would be backdated to September, and if so did it matter if it went through later than November. Mrs Eastwood that it was expected that it would be paid no later than November. Mr Settle mentioned not to assume that Full Board would change their mind. Mrs Wright said there was the big question of staff morale. Mr Wall also mentioned that the pay freeze in the public sector had now been removed.

Mrs Harris stated that she was strongly in favour of Option Two. Mr Wall asked if this change of decision took place would it have a knock on effect for support staff with a 1% increase. Mrs Eastwood agreed that yes it possibly could, and it was assumed in the budget at 1%. Mr Rumary asked why teachers received a pay award in September and support staff in April. Mrs Eastwood said that this had also been the case.

c) Current Financial Position 2017/18

Mrs Eastwood stated that there was no Management Report available yet.

d) Provisional Outturn for the Academy 2016/17 Financial Year

Mrs Eastwood clarified these figures were for the financial year just ended to 31st August 2017. Mrs Wright asked about the reserves figure of £53,665. Where is the £300,000 that is agreed. Mrs Eastwood confirmed that these figures are showing what is spent as of the budgeted expenditure, not what is left.

e) Efficiency Planning and Five Year Budget

Mrs Eastwood explained to Directors that the changes to the National Funding Formula meant that the Academy would be the one of the schools in Somerset seeing the highest increase. The updated final budget (dated 3rd October 2017) included Option Two of the teachers' pay award, the new National Funding Formula and updated student numbers. In 2018/19 and 2019/20, the formula for funding set from Somerset County Council is likely to be 'soft' formula which means the full impact from the NFF changes will not be implemented. From 2020/21 the formula will be a 'hard' formula set from the EFA that cannot be changed.

Mrs Wright asked if the savings made by reducing the staffing should now be put back in. Mr Wade commented that he was happy to look at staffing levels, but in some non-teaching areas savings still need to be made. Mr Wade is interested in offering recruitment bonuses when advertising for core subjects.

Mr Settle said it was good to show prudence, but asked whether we were being over prudent. Mrs Eastwood explained that she was now an Academy representative on the Schools Forum and regularly in consultation with other Business Mangers.

Capital Projects

Mr Wall asked about repayment terms of CIF and Salix Loans. Mrs Eastwood said the rates are not yet confirmed, but will be around 1%-1.23%. Mrs Eastwood explained that when applying for EFA loans the Academies reserve balance does get looked at. Mrs Harris asked if the Academy could repay early. Mrs Eastwood confirmed they could. Mrs Eastwood also mentioned that if a CIF bid was unsuccessful for the roofing project, aspects of the roof would have to be replaced anyway as it is leaking.

Mrs Wright asked if Items 11-24 would be paid for from DFCG. Mrs Eastwood confirmed they would.

Mr Wade asked Directors for agreement of £109,212 from Table 3 to be able to come from reserves.

Directors agreed the following:

1. The full allocation of DFCG is automatically allocated each year to the capital fund for Academy use for projects during the year. This year this is estimated to be £27,000. This will be used to complete projects 11-24 on Table 3.

Directors agreed as long as the amount remains at £27,000 plus or minus 10%.

Mr Wall proposed and Mrs Wright seconded the proposal which was carried unanimously.

2. A second capital allocation is agreed each year by Directors for additional capital projects. The FAP committee allocated additional funding to complete items 1-10 on Table 3.

Directors agreed to £109,212 and no more than, to cover items 1-10 shown in Table 3, to be taken from 2017/18 carry forward.

Mr Foster proposed and Mrs Wright seconded the proposal which was carried unanimously.

3. Consideration is given to the funding to be allocated to future CIF bids.

Directors agreed with regards to the History Classroom Rebuild project:
£200,000 capital from future 2018/19 reserves.

Directors agreed with regards to the Roofing Phase 2:
£50,000 capital from future 2018/19 reserves.

In addition, a total of £100,000 CIF Loan to be split between the two projects.

Mr Foster proposed and Mrs Wright seconded the proposal which was carried unanimously.

f) Leisure Centre Financial Information 2016/17

Mrs Eastwood clarified these figures were for the financial year just ended to 31st August 2017.

Mrs Eastwood then went on to discuss with Directors the Interim Budget for Huish Leisure for the financial year to 31st August 2018. Mr Foster asked about the pool anticipated income. Mrs Eastwood explained that this had been calculated by Sport England and Somerset County Council. Mr Settle asked to be involved with these calculations. Mrs Eastwood agreed.

Mrs Eastwood went on to explain that the AGP had made a loss of £5,594 and the pool income was significantly down due to it being closed. Mrs Wright asked about the Triathlon expenditure being higher than the Triathlon income. Mrs Eastwood explained that because the date had to be changed, Huish Leisure effectively ran two Triathlons in one year as the dates crossed over.

Mrs Wright asked if in future income could be shown in brackets rather than as a minus. Mrs Eastwood explained this was down to the finance software used, but agreed to investigate.

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9. FINANCIAL MANAGEMENT**a) Reserves Policy**

Mrs Eastwood confirmed there had been no change to this document.

Mr Foster proposed and Mrs Wright seconded the proposal which was carried unanimously.

b) Data Protection Policy

Mrs Eastwood explained that this policy had not been updated. Mr Johnson and Mrs Eastwood are both booked to undertake training on the new General Data Protection Regulations (GDPR) in November. Mr Wade commented that the document would need a six-month extension.

Directors agreed to this extension.

c) Academies Financial Handbook 2017

This was discussed. Mrs Eastwood mentioned that page 47 covered Directors and a schedule of requirements.

d) Letter to Accounting Officers from ESFA

Mr Wade explained this was for Directors information and that they to be aware of the contents and the deadlines included.

e) Authorised Signatories

Mrs Eastwood explained this document was for signing by Mrs Wright.

f) Disposals

Mrs Eastwood informed that they had disposed of a tractor and that £1,000 had been received this. This had been allocated against the purchase of a wood chipper.

g) Catering Contract

Mrs Eastwood told Directors that the current contract with Taylor Shaw ends in August 2018. Mrs Eastwood would like to establish a working group to work on this project starting after half term. Mrs Eastwood explained that procurement advice could be purchased from Somerset County Council.

Mrs Wright asked what would happen to the catering staff employed by Taylor Shaw. Directors discussed if it was worthwhile forming a group. It was agreed that Mrs Wright, Mr Foster, Mr Settle and Mr Rumary would form a working party with Mrs Eastwood.

h) Bank Account Summary and Review of Banking Arrangements

Directors agreed this item had been previously discussed.

10. ACADEMY IMPROVEMENT PLAN

Mr Wade confirmed this would be taken to the next Full Board meeting.

<p>11. REVIEW OF DECISIONS MADE</p> <p>Mrs Wright stated that three hours was more than long enough for a meeting, and could hard copies be received earlier please. Mr Rumary commented that he had documents missing in his pack.</p> <p>Mrs Eastwood said it was difficult with so many items on the agenda. Mr Foster asked for comments on all documents in advance to try and speed the meeting up.</p> <p>1 ANY OTHER URGENT BUSINESS</p> <p>None.</p> <p>2 DATE OF NEXT MEETING</p> <p>Wednesday 22nd November 2017 (Approval of Annual Accounts)</p>	
<p> Action Sht FinPrem Mins 10-10-17.docx</p>	

Meeting closed at 8.00 pm